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LEGAL PROCESS #1

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15 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

16 CALIFORNIA TEACHERS ASSOCIATION;
17 JACK O'CONNELL, in his official capacity as Superintendent
of Public Instruction of the State of California;
18 BARBARA E. KERR, individually and in her official capacity
as President of the California Teachers Association;
19 DAVID A. SANCHEZ, individually and in his official capacity
as Vice-President of the California Teachers Association;
20 DEAN E. VOGEL, individually and in his official capacity
as Secretary/Treasurer of the California Teachers Association;
21 AMELIA JUAREZ, as guardian ad litem for DIANA C.
JUAREZ, NICHOLAS K. JUAREZ, SAMANTHA K.
22 JUAREZ and DANIEL K. JUAREZ; ELIZABETH A.
SASSMAN, as guardian ad litem for KATHERINE S.
23 SASSMAN; and CURTIS L. WASHINGTON, as guardian
ad litem for JOSHUA WASHINGTON and
24 GRIFFITH WASHINGTON,

) No 05CS01165

) Action Filed: August 8, 2005

) **VERIFIED PETITION FOR**
) **WRIT OF MANDATE AND**
) **COMPLAINT FOR**
) **DECLARATORY**
) **RELIEF**

) Hearing:

) Date:

) Time:

) Dept:

) (The Honorable _____)

25 Petitioners/Plaintiffs,

26 vs.

27 ARNOLD SCHWARZENEGGER, in his official capacity as
Governor of the State of California; TOM CAMPBELL, in his
28 official capacity as Director of the Department of Finance for
the State of California; STEVE WESTLY, in his official
capacity as Controller of the State of California; and DOES
ONE through FIVE,

Respondents/Defendants.

VERIFIED PETITION FOR WRIT OF MANDATE
AND COMPLAINT FOR DECLARATORY RELIEF

1 suspension as a fixed amount, defining with strict limits the extent to which the Proposition 98
2 guarantee for 2004-05, as ultimately calculated, would be reduced. The Legislative Analyst's Office
3 provided the following description:

4 The Governor proposes suspending the minimum guarantee by \$2 billion
5 from the 2004-05 minimum guarantee level. If at the May Revision, the
6 minimum guarantee is higher or lower, the Governor's proposal would
adjust the proposed K-14 appropriation level to keep the suspension
amount at \$2 billion.

7 (Legis. Analyst, Analysis of the 2004-05
8 Budget Bill (Feb. 18, 2004) p. E-14.)

9 The agreement between Governor Schwarzenegger and the Education Coalition was
10 codified as Chapter 213 of the 2004 Statutes and Amendments to the Code. Chapter 213 explicitly set
11 forth the \$2 billion limitation on funding that the schools would forego for one year. Chapter 213 thus
12 suspended the Constitution's minimum funding guarantee for the 2004-05 fiscal year, and enacted the
13 following statutory guarantee in its place:

14 The amount of money that *shall* be applied by the state for the support of
15 school districts and community college districts during the 2004-05
16 fiscal year *shall* be calculated by subtracting the amount of two billion
17 three million nine hundred ninety-six thousand dollars (\$2,003,996,000)
from the amount that would otherwise be required to be applied for the
support of school districts and community college districts during the
2004-05 fiscal year pursuant to [Proposition 98] if the Legislature had
not invoked [suspension].

18 (Stats. 2004, ch. 213, § 1(b), pp. 95-96,
19 emphasis added.)

20 Just one year later, however, the Governor changed his mind about the funding
21 agreement. State revenues were up, and under Proposition 98, the agreement between the Governor
22 and the Education Coalition, and Chapter 213, the schools were entitled to a share of those additional
23 revenues. By January 2005 the estimate for the shortfall in schools' 2004-05 guaranteed funding was
24 \$1.1 billion. Subsequent calculations for 2004-05 showed the shortfall at \$1.8 billion. The effect of
25 the increased revenue was not limited to 2004-05. Because the calculations for 2005-06 are partially
26 based on the prior year's funding, it also meant the guarantee would increase for 2005-06.

27 The Governor, however, announced his intent to spend those new revenues on programs
28 other than education. Thus, in January 2005, the Governor proposed that rather than provide schools

1 with the full amount of the now-higher minimum guarantee for 2004-05, minus only \$2 billion, none
2 of the new revenues would go toward the school funding shortfall. The Governor acknowledged that
3 the money was owed to schools, but simply stated he had decided not to pay it:

4 Last year, the education community joined with the Governor in
5 postponing \$2 billion in what Proposition 98 would otherwise have
6 provided. Given the alternative reductions that would have been
7 required in health and human services, however, the Budget reflects a
8 decision not to appropriate Proposition 98 increases of \$1.1 billion
9 in 2004-05 and \$1.17 billion in 2005-06.¹ These increases would
10 otherwise have been required were the Proposition 98 guarantee allowed
11 to run on autopilot next year.

(Governor's Budget Summary 2005-06
(Jan. 10, 2005) pp. 1-2.)

12 The Budget Act for 2005 was passed as fiscal year 2004-05 came to an end. In the
13 Governor's parlance, the Budget Act "reflects savings of \$3.8 billion in 2004-05" (State Budget
14 Highlights: 2005-06 (Jul. 27, 2005) p. 13.) Those "savings" include an additional cut of \$ 1.8 billion
15 to what schools were entitled to under Proposition 98 and Chapter 213, over and above the \$2 billion
16 suspension. The additional cut not only lacks any statutory authority, it violates the clear mandate of
17 Chapter 213 and the Constitution.

18 Chapter 213 is the law of this State. It clearly and unequivocally requires that schools
19 *shall* receive only \$2 billion less in funding during the 2004-05 fiscal year than they otherwise would
20 have under the constitution's minimum funding guarantee. In fact, however, schools received
21 \$3.8 billion less in funding during the 2004-05 fiscal year. The additional cut of \$1.8 billion was
22 contrary to statute and the Constitution. To compound the problem, the guarantee for 2005-06 was
23 calculated using the unlawfully low funding provided the schools in 2004-05. The effect was to
24 improperly lower the 2005-06 funding guarantee, which results in an estimated funding shortfall of
25 \$1.3 billion for 2005-06, for a total loss of \$3.1 billion over the two fiscal years. This \$3.1 billion is
26 over and above the \$2 billion reduction that was agreed upon and required by Chapter 213.

27 ¹ The \$1.1 billion in 2004-05, and \$1.17 billion in 2005-06, are early estimates. By the time the fiscal
28 year ended, the refusal to follow Chapter 213 cost schools an estimated \$1.8 billion in funding for
2004-05, and an estimated \$1.3 billion in 2005-06. (See Legis. Analyst, Cost of Meeting the
Chapter 213 Target Under Different Scenarios (May 16, 2005).)

PARTIES

1
2 1. Petitioner/plaintiff CALIFORNIA TEACHERS ASSOCIATION ("CTA") is a
3 voluntary membership organization of California public school teachers. In 1988, CTA sponsored
4 Proposition 98, a school funding initiative passed by the voters of California to amend article XVI,
5 section 8 of the California Constitution. CTA, as part of the Education Coalition, negotiated the
6 education funding agreement codified as Chapter 213 of the Statutes of 2004. CTA has been liable to
7 pay, and within one year before the commencement of this action has paid, a tax within the County of
8 Sacramento.

9 2. Petitioner/plaintiff JACK O'CONNELL is the elected Superintendent of Public
10 Instruction for the State of California. Petitioner/plaintiff O'CONNELL is responsible for the
11 administration of the system of free and common schools within the State of California, including
12 calculating and distributing funding for school and community college districts. Petitioner/plaintiff
13 O'CONNELL is also responsible for calculating and certifying the minimum school funding guarantee
14 of article XVI, section 8 of the California Constitution.

15 3. Petitioners/plaintiffs BARBARA E. KERR, DAVID A. SANCHEZ and
16 DEAN E. VOGEL are officers of CTA, and are teachers in the California public schools.
17 Petitioners/plaintiffs KERR, SANCHEZ and VOGEL have been liable to pay, and within one year
18 before the commencement of this action have paid, a tax within the counties of Riverside and Yolo, in
19 the State of California.

20 4. Petitioners/plaintiffs DIANA C. JUAREZ, NICHOLAS K. JUAREZ,
21 SAMANTHA K. JUAREZ and DANIEL K. JUAREZ are children who attend the public schools in the
22 Moreno Valley Unified School District. Petitioner/plaintiff AMELIA JUAREZ is the parent and
23 guardian ad litem for petitioners/plaintiffs DIANA, NICHOLAS, SAMANTHA AND DANIEL
24 JUAREZ.

25 5. Petitioner/plaintiff KATHERINE S. SASSMAN is a child who attends the
26 public schools in the Pleasant Ridge School District. Petitioner/plaintiff ELIZABETH A. SASSMAN
27 is the parent and guardian ad litem for petitioner/plaintiff KATHERINE SASSMAN.
28

1 6. Petitioners/plaintiffs JOSHUA WASHINGTON and GRIFFITH
2 WASHINGTON are children who attend the public schools in the Brisbane School District.
3 Petitioner/plaintiff CURTIS L. WASHINGTON is the parent and guardian ad litem of
4 petitioners/plaintiffs Joshua and Griffith Washington.

5 7. Respondent/defendant ARNOLD SCHWARZENEGGER is Governor of the
6 State of California. As chief executive officer of the State, he is responsible for executing the
7 Constitution and laws of the State of California. He also is responsible for presenting to the
8 Legislature a budget for each fiscal year containing recommended state expenditures and estimated
9 state revenues, and for signing into law, or vetoing, each bill passed by the Legislature.
10 Respondent/defendant SCHWARZENEGGER negotiated with CTA the education funding agreement
11 codified as Chapter 213 of the Statutes of 2004, which he signed into law on August 11, 2004.

12 8. Respondent/defendant TOM CAMPBELL is Director of the Department of
13 Finance for the State of California. Together with petitioner/plaintiff O'CONNELL,
14 respondent/defendant CAMPBELL is responsible for calculating and certifying the minimum school
15 funding guarantee of article XVI, section 8 of the California Constitution.

16 9. Respondent/defendant STEVE WESTLY is the Controller of the State of
17 California. Respondent/defendant WESTLY is responsible for the administration of the state's
18 finances, including school funding, and is responsible for allocating money to meet deficiencies in
19 Proposition 98 funding. Respondent/defendant WESTLY, in performing these functions for 2004-05
20 and 2005-06, had not and is not required to independently calculate the amounts due schools under
21 Proposition 98 or state statute. Respondent/defendant WESTLY is named in this action for remedial
22 purposes only.

23 10. Respondents/defendants DOES ONE through FIVE are responsible for the
24 finances of the public school system in the State of California and for the implementation of the
25 minimum school funding guarantee of article XVI, section 8 of the California Constitution.

26 **JURISDICTION**

27 11. This Court has jurisdiction over this matter pursuant to Code of Civil Procedure
28 sections 1085 and 526a. Petitioners/plaintiffs are entitled to a writ of mandate because they do not

1 have "a plain, speedy, and adequate remedy, in the ordinary course of law." If this Court does not act,
2 the State's public school system will be denied approximately \$3.1 billion in funding for the 2004-05
3 and 2005-06 fiscal years. Declaratory relief is authorized by Code of Civil Procedure sections 1060
4 and 1062.

5 STATEMENT OF FACTS

6 12. On November 8, 1988 the people of the State of California approved
7 Proposition 98, an initiative constitutional amendment amending article XVI, section 8 of the
8 California Constitution to provide for a minimum level of funding for public school and community
9 college districts.

10 13. On June 5, 1990 the people of the State of California approved Proposition 111,
11 a legislative constitutional amendment that, among other things, amended the minimum funding
12 guarantee contained in article XVI, section 8. As used herein the term "Proposition 98" refers to
13 the 1988 enactment as amended in 1990.

14 14. On January 8, 2004 respondent/defendant SCHWARZENEGGER announced
15 his administration had reached an agreement with petitioner/plaintiff CTA and other members of the
16 Education Coalition regarding school funding for the 2004-05 fiscal year. A true and correct copy of
17 the Governor's announcement, the document he distributed with the announcement entitled "Education
18 Funding Background," and the chart he distributed with the announcement entitled "Proposition 98
19 Comparison," are attached as Exhibit A to this petition and complaint and incorporated fully herein.

20 15. On August 11, 2004 the Governor signed into law Senate Bill No. 1101, which
21 was codified as Chapter 213 of the 2004 Statutes and Amendments to the Code. Chapter 213
22 suspended the minimum funding guarantee for the 2004-05 fiscal year pursuant to subdivision (h) of
23 section 8 of article XVI, and commanded that "[t]he amount of money that shall be applied by the state
24 for the support of school districts and community college districts during the 2004-05 fiscal year shall
25 be calculated by subtracting the amount of two billion three million nine hundred ninety-six thousand
26 dollars (\$2,003,996,000) from the amount that would otherwise be required to be applied for the
27 support of school districts and community college districts during the 2004-05 fiscal year pursuant to
28

1 subdivision (b) of section 8 of article XVI of the California Constitution, if the Legislature had not
2 invoked subdivision (h) of section 8 of article XVI.” (Stats. 2004, ch. 213, § 1(b), pp. 95-96.)

3 16. Fiscal year 2004-05 ended at midnight on June 30, 2005. As of that date, the
4 Proposition 98 funding provided to school districts and community college districts during the 2004-05
5 fiscal year was approximately \$3.8 billion below the amount that otherwise would be required had the
6 minimum guarantee not been suspended for 2004-05, rather than the \$2.004 billion cut provided for in
7 Chapter 213. The additional cut of \$1.8 billion in funding for the schools was calculated and imposed
8 by respondent/defendants SCHWARZENEGGER and CAMPBELL, in violation of Chapter 213 and
9 article XVI, section 8 of the California Constitution. The failure and refusal to comply with
10 Chapter 213 and article XVI, section 8 deprives the schools of approximately \$1.8 billion to which
11 they are entitled under the Constitution and Chapter 213.

12 17. On July 11, 2005 the Governor signed into law the Budget Act for fiscal year
13 2005-06 and two trailer bills, SB 63 and SB 80, that concern education funding. (Budget Act of 2005;
14 Stats. 2005, ch. 38 (S.B. 77); Stats. 2005, ch. 73 (S.B. 63); Stats. 2005, ch. 39 (S.B. 80).) The
15 Proposition 98 funding to be provided schools under the Budget Act and trailer bills, as calculated by
16 respondents/defendants SCHWARZENEGGER and CAMPBELL, uses the illegally low funding
17 provided in 2004-05 as a basis for the 2005-06 minimum guarantee. Unless the minimum guarantee
18 for 2005-06 is calculated by reference to the funding that should have been provided in 2004-05,
19 school and community college districts will not receive their constitutionally required minimum
20 funding in 2005-06, and instead will receive approximately \$1.3 billion less than is constitutionally
21 required under Proposition 98.

22 **FIRST CAUSE OF ACTION**

23 **Fiscal Year 2004-2005: Writ of Mandate** 24 **for Violation of Chapter 213 of the Statutes of 2004** 25 **and California Constitution, Article XVI, Section 8**

26 18. Petitioners/plaintiffs reallege and incorporate by reference as if fully set forth
27 herein the allegations contained in paragraphs 1 through 17 above.

28 19. Chapter 213 provides that schools shall receive only \$2,003,996,000 less than
they would have received had the minimum guarantee not been suspended for 2004-05. In fact, due to

1 the actions of respondents/defendants SCHWARZENEGGER and CAMPBELL, schools received
2 approximately \$3.8 billion less than they would have received had the minimum guarantee not been
3 suspended for 2004-05. This constituted an additional reduction of \$1.8 billion in violation of
4 Chapter 213 and article XVI, section 8 of the California Constitution.

5 20. Petitioners/plaintiffs have no plain, speedy or adequate remedy at law to compel
6 respondents/defendants to comply with Chapter 213 and article XVI, section 8 in calculating the funds
7 due schools for the 2004-05 fiscal year.

8 **SECOND CAUSE OF ACTION**

9 **Fiscal Year 2005-2006: Writ of Mandate 10 for Violation of Chapter 213 of the Statutes of 2004 and California Constitution, Article XVI, Section 8**

11 21. Petitioners/plaintiffs reallege and incorporate by reference as if fully set forth
12 herein the allegations contained in paragraphs 1 through 20 above.

13 22. California Constitution article XVI, section 8(b) requires that the minimum
14 guarantee for 2005-06 be calculated based on the funding provided schools in 2004-05, adjusted for
15 changes in the cost of living and enrollment. Due to the actions of respondents/defendants
16 SCHWARZENEGGER and CAMPBELL, however, schools were provided less funding in 2004-05
17 than they were entitled to under Chapter 213 and article XVI, section 8. Defendants
18 SCHWARZENEGGER, CAMPBELL and DOES ONE through FIVE have unlawfully calculated the
19 minimum guarantee for 2005-06 based on the actual funding provided in 2004-05, rather than the
20 amount that would have been provided schools had the state complied with Chapter 213 and
21 article XVI, section 8.

22 23. Petitioners/plaintiffs have no plain, speedy or adequate remedy at law to compel
23 respondents/defendants to lawfully calculate the minimum guarantee for 2005-06.

24 **THIRD CAUSE OF ACTION**

25 **Fiscal Year 2004-2005: Declaratory Relief 26 for Violation of Chapter 213 of the Statutes of 2004 and California Constitution, Article XVI, Section 8**

27 24. Petitioners/plaintiffs reallege and incorporate by reference as if fully set forth
28 herein the allegations contained in paragraphs 1 through 23 above.

1 25. An actual controversy has arisen and now exists between the
2 petitioners/plaintiffs and respondents/defendants as to whether Chapter 213 of the Statutes of 2004 and
3 article XVI, section 8 have been complied with for the 2004-05 fiscal year.

4 26. Petitioners/plaintiffs contend that article XVI, section 8 and Chapter 213 require
5 that schools be provided \$1.8 billion more in Proposition 98 funding than they were provided in 2004-
6 05. Petitioners/plaintiffs are informed and believe that respondents/defendants
7 SCHWARZENEGGER, CAMPBELL and DOES ONE through FIVE contend that Chapter 213 is not
8 an enforceable mandate and/or that Chapter 213 allows the state to disregard its constitutional
9 obligation to allocate \$1.8 billion in 2004-05 as required by article XVI, section 8(e).

10 **FOURTH CAUSE OF ACTION**

11 **Fiscal Year 2005-2006: Declaratory Relief**
12 **for Violation of Chapter 213 of the Statutes of 2004**
13 **and California Constitution, Article XVI, Section 8**

14 27. Petitioners/plaintiffs reallege and incorporate by reference as if fully set forth
15 herein the allegations contained in paragraphs 1 through 26 above.

16 28. An actual controversy has arisen and now exists between the
17 petitioners/plaintiffs and respondents/defendants as to whether the minimum guarantee required by
18 article XVI, section 8, of the California Constitution, has been properly calculated for the 2005-06
19 fiscal year.

20 29. Petitioners/plaintiffs are informed and believe that respondents/defendants
21 SCHWARZENEGGER, CAMPBELL and DOES ONE through FIVE contend that the minimum
22 guarantee for 2005-06 should be calculated based on the actual funding provided in 2004-05, without
23 regard to whether the state provided an illegally low level of funding in 2004-05. Petitioners/plaintiffs
24 contend that the minimum guarantee for 2005-06 should be calculated based on the funding that would
25 have been provided schools in 2004-05 had the state complied with Chapter 213 and article XVI,
26 section 8.

27 WHEREFORE, petitioners/plaintiffs pray for relief as follows:

28 1. That this Court issue its declaratory judgment:

 (a) that the minimum guarantee for 2004-05 should have been increased by

1 an allocation of \$1.8 billion as required by article XVI, section 8 of the California Constitution and
2 Chapter 213 of the Statutes of 2004;

3 (b) that the State failed to appropriate for schools in 2004-05 the full amount
4 of the minimum guarantee, minus only and exactly \$2,003,996,000 as required by Chapter 213 of the
5 Statutes of 2004; and

6 (c) that the State failed to calculate the minimum guarantee for 2005-06
7 based on what would have been appropriated in 2004-05 had the State complied with Chapter 213 and
8 article XVI, section 8 and that the minimum guarantee calculation for 2005-06 is, therefore, in
9 violation of article XVI, section 8 and Chapter 213 of the Statutes of 2004;

10 2. That this Court issue a writ of mandate requiring that the state base its funding
11 for the K-14 public school system in fiscal year 2004-05 on the Chapter 213 guarantee of only and
12 exactly \$2,003,996,000 less than otherwise was due schools under Article XVI, section 8 of the
13 California Constitution;

14 3. That this Court issue a writ of mandate requiring that the state base the
15 minimum guarantee for fiscal year 2005-06 on what would have been appropriated in 2004-05 had the
16 State complied with California Constitution article XVI, section 8 and Chapter 213 of the Statutes of
17 2004; and

18 4. That this Court order an award of attorneys fees to petitioners/plaintiffs, and
19 provide such other and further relief as the Court deems appropriate.

20 Dated: August 8, 2005

Respectfully submitted,

21 Robin B. Johansen
22 Karen Getman
23 Margaret R. Prinzing
24 REMCHO, JOHANSEN & PURCELL

25 Marsha A. Bedwell
26 CALIFORNIA DEPARTMENT OF EDUCATION

27 By: 

Karen Getman

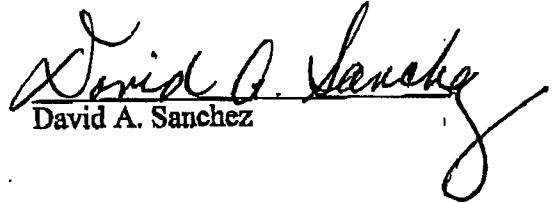
28 Attorneys for Petitioners/Plaintiffs

VERIFICATION

I, David A. Sanchez, declare:

I am one of the petitioners/plaintiffs in this action. I have read the Verified Petition for Writ of Mandate and Complaint for Declaratory Relief and know the contents thereof and certify that the same are true of my own knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 8th day of August, 2005, at Rancho Mirage California.


David A. Sanchez

VERIFICATION

EXHIBIT A



GOVERNOR ARNOLD SCHWARZENEGGER

GAAS:09:04

For Immediate Release:

Thursday, January 08, 2004

Contact: Margita Thompson

Ashley Snee

916-445-4571

Gov. Schwarzenegger, Members of the Education Coalition Announce Education Funding Agreement

Gov. Arnold Schwarzenegger and members of the Education Coalition announced an education funding agreement that will help alleviate the state's current fiscal emergency while protecting the integrity of Proposition 98 and increasing the per pupil funding from last year. The announcement was made today at a press conference at Sutter Middle School in Sacramento.

The historic agreement was negotiated between Gov. Schwarzenegger and members of the Education Coalition, including the California Teachers Association, Parent-Teachers Association, California School Boards Association, California Association of School Business Officials, Association of California School Administrators and California County Superintendents Educational Services Association. The agreement would keep Proposition 98 structurally intact for future years while providing \$2 billion in budget relief for the 2004-05 fiscal year.

"When I was elected governor, I said I would change the way business is done in Sacramento," said Gov. Schwarzenegger. "I am confident that this agreement will help us protect the long-term health of our budget. It will allow us to deal with the deficit today, rather than putting every program at risk for years to come. It will help us do what the people demand and deserve: real action and solving problems together. I want to thank our education leaders for joining the fight to get our budget back on track."

Highlights of the agreement include:

- Per pupil funding still increases year over year.
- Funds deferred by the rebasing process will be restored in future years.
- Trigger provisions contained in Prop. 98 that allow the funding level to be rebased in a fiscal emergency. The measure was included in Prop. 98 to relieve the budget burden in a fiscal crisis.
- Increase year-over-year funding for education from the 2003-04 budget act to the 2004-05 proposed budget by \$2 billion.

In the state budget that will be released on Friday, Gov. Schwarzenegger will keep his campaign promise that children are first in line for the state treasury.

"Education is the key to every future success for our state," said Gov. Schwarzenegger. "This Prop. 98 funding will be restored as required by law and our agreement. Today, I am making that promise to our teachers and students."

###

GOV. SCHWARZENEGGER
January 8th, 2004
Education Funding Background



-
- From fiscal year 2003-04 to 2004-05, K-12 education funding will increase by \$2 billion and schools will continue to receive more money per student.
 - The Governor negotiated the agreement with members of the Education Coalition, including the California Teachers Association, Parent-Teachers Association, California School Boards Association, California Association of School Business Officials, Association of California School Administrators and California County Superintendents Educational Services Association.
 - As part of the agreement, the education coalition has agreed to support rebasing \$2 billion on a one-time basis in the budget year. The money will be built back into the base as a "maintenance factor" as prescribed by current law.
 - The actual amount and timing in which the \$2 billion is returned to the base calculation is determined by the Prop. 98 formula.

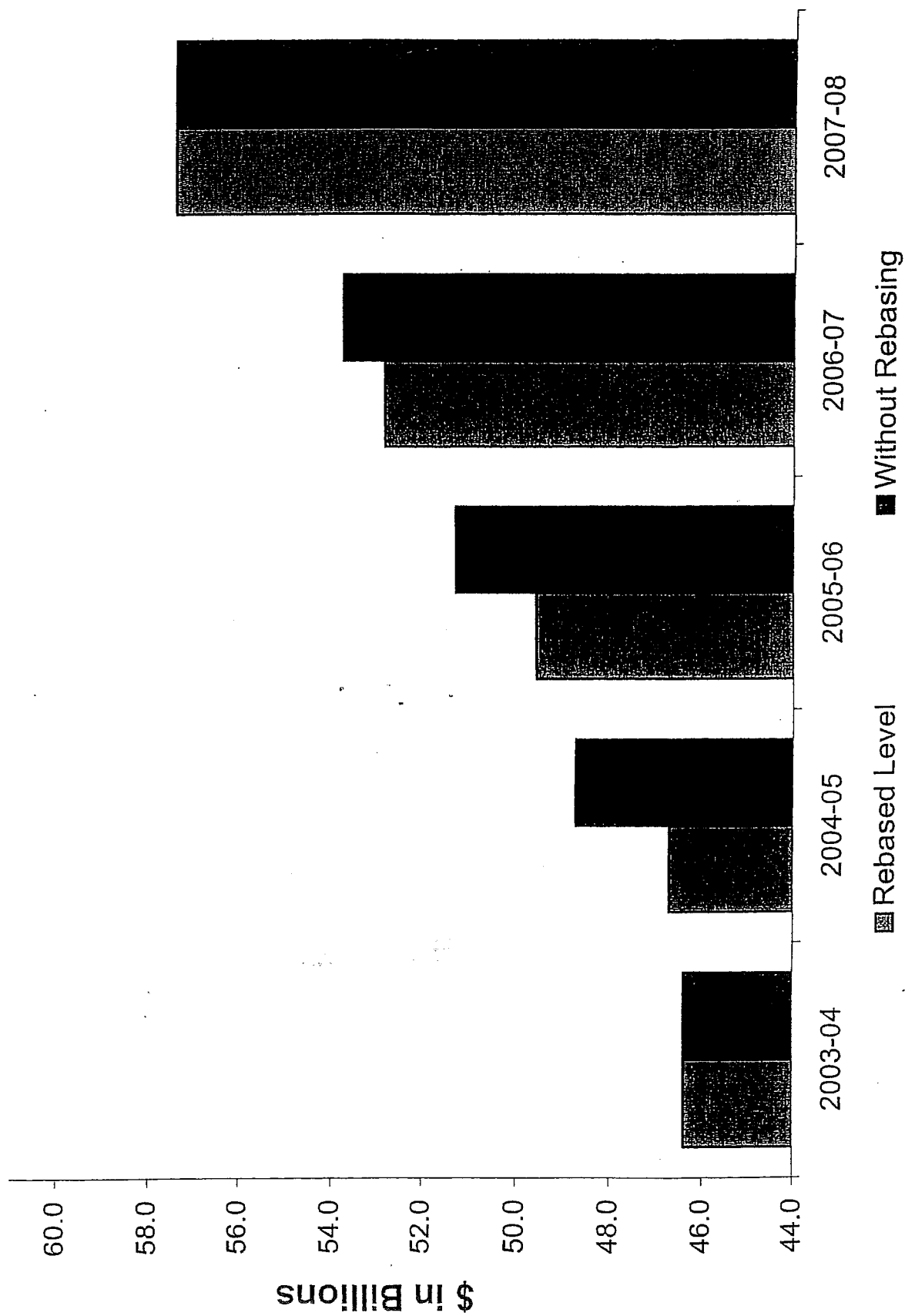
The Governor also agreed that once this \$2 billion is returned to the base, it will be allocated in the following priority order:

1. Restore any remaining K-12 revenue limit deficit.
2. Fund approved and legally required K-14 mandate costs.
3. Seventy five percent of remaining funds to be allocated as discretionary revenue to schools, and 25 percent allocated per the will of Governor and Legislature.

Summary

The state will save \$2 billion in this upcoming fiscal year. The \$2 billion rebased savings are eventually returned into the Prop. 98 base, as per the formula. Final agreement on the rebasing schedule is determined by the Prop. 98 formula.

Proposition 98 Comparison



What they're saying.....

Quotes by members of the Education Coalition (1/8/04):

"We appreciate the Governor reaching out to teachers and working to preserve basic education funding. The Governor's budget package increases per-pupil funding and provides full funding for student enrollment growth and cost of living increases,"

-Barbara E. Kerr, president of the 335,000-member California Teachers Association.

"The Governor's plan to re-base Proposition 98 and to work with us to continue to ensure that our schools and our students remain a priority is welcome news. As school leaders, we know firsthand that having an agreement in place for education funding for 2004-05 helps all of California's school communities plan for the next school year, without fear of mid-year budget cuts or other unexpected shortfalls. We applaud Governor Schwarzenegger for his leadership on this budget and for his commitment to California's 6 million students, their families and the thousands of educators who serve them."

-Sonny Da Marto, president of the 16,000-member Association of California School Administrators and superintendent of Burlingame Elementary School District said

"As an elected official and on behalf of my 57 county colleagues, I applaud the Governor's continued commitment to children by providing increased funding to public schools. Even in the face of the worst financial condition in the state's history, Governor Schwarzenegger is upholding his bedrock promise to protect education."

-John Anderson, Imperial County Superintendent of Schools
President, California County Superintendents Educational Services Association (CCSESA)